

CITY OF MIAMI BEACH

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COMMISSION MEMORANDUM

To: Mayor David Dermer and
Members of the City Commission

Date: February 26, 2003

From: Jorge M. Gonzalez
City Manager

**Subject: REPORT OF THE FINANCE AND CITYWIDE PROJECTS COMMITTEE
MEETING OF FEBRUARY 20, 2003.**

A meeting of the Finance and Citywide Projects Committee was held February 20, 2003, at 2:28 p.m. in the City Manager's Large Conference Room.

Chairman Commissioner Jose Smith, and Commissioner's Luis R. Garcia, Jr., Matti Herrera-Bower, Saul Gross, and Richard Steinberg were in attendance.

City staff was represented by: Jorge M. Gonzalez, City Manager; Patricia D. Walker, Chief Financial Officer; Mayra Diaz Buttacavoli, Assistant City Manager; Manuel Marquez, Finance Manager; T C Adderly, Human Resources Director; Linda Gonzalez, Labor Relations; Patricia Hipple, Human Resources Administrator I; Kevin Crowder, Economic Development Division Director; Anna Parekh, Redevelopment Coordinator; Fred Beckmann, Public Works Director; Margarita Alcon, Office Associate V; Valarie Schwank, Office Associate V; and Erica Shafir, Office Associate V;

Others in attendance included: Celia Locke, City of Miami Beach Fire & Police Pension; Kathleen Phillips, Phillips, Richard & Rind PA; Michael Brady, Fireman's Relief Pension Fund & Firefighter's Union; Luis Reiter, Squire, Sanders, & Dempsey LLP; Joe Fontana, M.B.C. & HO Alliance; Mark H. Hildebrandt, Mark H. Hildebrandt, PA; Michael Comras, Lincoln Road Marketing, Inc.; Steven Sonnenreich, Arnold Jaffee, Alex Mendez, Martha Smith, Karen Moyer, Gina Sipianin, Donna Owens, Rosalie Pincus, Martin Gelb, K. Williams, A. Marzano, and Jared Smith.

1. Byron Carlyle Theater

ACTION

Item Deferred.

Agenda Item: R6A

Date: February 26, 2003

2. Lincoln Road Marketing

ACTION

The Committee moved the item to the full Commission, recommending the City of Miami Beach: appropriate \$37,784.75 to Lincoln Road Marketing, Inc. for the purpose of marketing Lincoln Road as a destination; authorize Administration to process future request for Lincoln Road concession revenues administratively as part of the annual operating budget process; and, request that as a condition for City funding, Lincoln Road Marketing, Inc. begin charging annual membership dues.

City Manager Jorge M. Gonzalez introduced and summarized the item. Lincoln Road Marketing, Inc. (LRMI) was formed as a non-for-profit entity with the primary goal of marketing Lincoln Road as a destination for residents and tourists alike with an emphasis on shopping, culture, and dining.

Mr. Michael Comras, President of LRMI, gave a presentation to the committee. On March 14, 2001, the Mayor and City Commission authorized LRMI to utilize concession revenue generated from Lincoln Road Special Events for the purpose of marketing Lincoln Road, and appropriated \$49,000 for that effort.

Among the items that the previous appropriation was used for were:

- Visioning Session
- A banner on the 17th Street Garage
- Design of a Lincoln Road Logo
- Production of 140,000 Lincoln Road Brochures
- Distribution of the Brochures
- Advertising in the New Times and on the Electrowave
- Production of a Television Commercial and 250 airings per month
- Inserts and Maps for the Lincoln Road Directories

To date, Lincoln Road special events have generated a total of \$86,784.75 of concession revenue, of which \$49,000 has been appropriated. An additional appropriation of the remaining \$37,784.75 is being requested.

LRMI will submit expenditure requests to the City's Economic Development Department for determination that the request is an eligible item for use of these funds. The City will then process eligible expenses. Ineligible expenses will be the responsibility of LRMI.

Commissioner Matti Herrera-Bower asked Mr. Comras if Lincoln Road merchants were required to pay annual membership dues. Mr. Comras stated that Lincoln Road Merchants currently are not required to pay annual dues, but he is open to the suggestion. Commissioner Herrera-Bower stated that while in favor of supporting LRMI, she believes the City's relationship with LRMI should be a partnership in which the City of Miami Beach contributes funds and LRMI collects annual dues from Lincoln Road merchants. Commissioner Herrera-Bower stated that the City should not be the sole source of funding

for LRMI and that the City has a number of other commercial corridors which could use City funding, and it is only seems fair that City funds be combined with LRMI funds for marketing Lincoln Road.

Commissioner Matti Herrera-Bower moved the item to the full Commission, recommending the City of Miami Beach: appropriate \$37,784.75 to Lincoln Road Marketing, Inc. for the purpose of marketing Lincoln Road as a destination; authorize Administration to process future request for Lincoln Road concession revenues administratively as part of the annual operating budget process; and, request that as a condition for City funding, Lincoln Road Marketing, Inc. begin charging annual membership dues. Motion seconded. Voice vote was taken. The motion passed unanimously.

3. Minimum Pension Benefit Resolution

ACTION

The Committee directed Administration to bring back the Minimum Pension Benefit Resolution item to the next Finance and Citywide Projects Committee Meeting and further instructed Administration and representatives from the Fire and Police Pension to prepare a package outlining pertinent issues related to the supplemental plans created for firefighters and police officers in the Florida Statutes 175 and 185 and distribute to Committee members before the next scheduled meeting.

Commissioner Luis R. Garcia, Jr. and Kathleen Phillips, from Phillips, Richard & Rind PA, introduced and summarized the item.

Chapters 175 and 185, Florida Statutes, govern the establishment and operation of defined benefit retirement plans for municipal police officers and firefighters employed by cities and special districts. Contained within Chapters 175 and 185 is a revenue sharing device that allows participating cities and districts to receive a portion of the state excise tax on property and casualty insurance premiums collected on policies covering property within each jurisdiction. In order to qualify for the premium tax revenues, the local government pension plan must comply with the provisions of Chapters 175 and 185, as determined by the Division of Retirement.

These plans are not to affect the operation or benefits of any other pension plan of the City, nor is the City to have any responsibility for the operation of the fund or bear any expense in connection therewith except as relates to the custody of the cash and investments thereof.

Two amendments were added to Florida Statutes 175 and 185 on March 12, 1999. The first amendment declared that the definition of "beneficiary" states that a firefighter or police officer may "designate a choice of one or more persons, names sequentially or jointly, as his or her beneficiary. The second amendment acknowledged a "10-year certain and life" retirement benefit, providing that the retired member receives a monthly pension benefit, and if the member dies within ten years following retirement, the same benefit is paid to the member's beneficiary for the balance of such 10-year period.

These changes would require that in order for the City to receive the 175 and 185 premium tax revenues, the City's defined benefit plan must adhere to the year certain and beneficiary

definition.

City Manager Jorge M. Gonzalez stated that since the Minimum Pension Benefit would be a new benefit that currently does not exist, the item should be part of the collective bargaining process. Additionally, the item should be part of the collective bargaining process since it is a proposed change to the current benefits that police officers and firefighters receive and could be partially or entirely required to be funded by the City (should the premium tax revenues be insufficient to pay for benefits).

Mr. Gonzalez also noted that premium tax revenues received by the City may be used to fund currently existing benefits in the City Police and Fire Pension Fund to the extent that the existing benefits are greater than the benefits provided to general employees.

Commissioner's Matti Herrera-Bower and Saul Gross stated that they would like more time to review the issues at hand so they can make an informed decision and recommendation.

Commissioner Matti Herrera-Bower made a motion directing Administration to bring back the Minimum Pension Benefit Resolution item to the next Finance and Citywide Projects Committee Meeting and further instructed Administration and representatives from the Fire and Police Pension to prepare a package outlining pertinent issues related to the supplemental plans created for firefighters and police officers in the Florida Statutes 175 and 185 and distribute to Committee members before the next scheduled meeting. Motion seconded. Voice vote was taken. The motion passed unanimously.

4. Discussion of the Proposed Refinancing Transaction through the Miami Beach Health Facilities Authority for Mt. Sinai Medical Center

ACTION

No Action Necessary (Presentation Given)

Steven Sonenreich, President and CEO from Mt. Sinai Medical Center gave a power point presentation to the Committee outlining Mt. Sinai's current financial position and proposed refinancing.

After discussions, the Committee gave the Administration the go ahead to proceed with efforts to restructure Mt. Sinai Medical Center's financial deal. Mt. Sinai Medical Center

will prepare for their issuance of the third series of the Health Facilities Revenue and Refunding Bonds and submit to the City of Miami Beach for approval.

The meeting adjourned at 4:50 p.m.
JMG/PDW/mim

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